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FISCAL IMPACT REPORT

SPONSOR: Cordova DATE TYPED: 2/17/03 HB HJM 25

SHORT TITLE: Continue to Study Nursing Home Staffing SB _____

ANALYST: Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB94, HB255, HB376, SB291, HB385

SOURCES OF INFORMATION

Responses Received From

Department of Health (DOH)
Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

HJM25 requests that the Department of Health continue to study appropriate nursing home acuity-based staffing and reimbursement methods, and to closely monitor nursing facility quality of care to ensure resident health and safety.

Significant Issues

The memorial requests the Department to: 1) continue to closely monitor nursing home quality of care, 2) evaluate the current payment methodology and make recommendations for funding an acuity-based reimbursement system, and 3) report progress and legislative recommendations to the interim health and human services committee and other appropriate groups no later than October 2003.

ADMINISTRATIVE IMPLICATIONS

DOH, Division of Health Improvement has studied this issue in the past and will continue to do so through a subcommittee of its Long Term Care Quality Cabinet.

RELATIONSHIP

Relates to:

SB94 NMSU Nursing Education Funding
HB255 WNMU Bachelor of Science in Nursing
HB376 Nursing Excellence
SB291 Support for Nursing Education in New Mexico Program
HB385 San Juan College Nursing Education Program

OTHER SUBSTANTIVE ISSUES

There is a wide variation in staffing and the quality of nursing home services in New Mexico. An acuity-based staffing model could contribute to improved consistency in the provision of services and the overall quality of care.

HJM25 requests DOH study nursing home staffing as it relates to quality of care. Quality of care is a function of quality nursing staff. There is currently a nationwide shortage of nurses and New Mexico is experiencing an even greater shortage than the national average.

According to a study done by the US Department of Health and Human Service, Bureau of Health Professions "*The Health Care Workforce in Eight States: Education, Practice and Policy*" New Mexico ranked lowest among the 8 states studied in RN's and LPN's per 100,000. New Mexico was also lower than the national average.

According to DOH, Division of Health Improvement, "*Incident Management System Trends Data Report SFY 2002*", the major staffing issues for New Mexico residential facilities including Nursing Homes are 1) high turnover rates (creating staff shortage), 2) training and 3) communication.

The Long-Term Care Regulatory Quality Cabinet has been studying and discussing nursing and nurse assistant shortages in nursing homes over the past year. Subcommittees were created from the Long-Term Care Summit held in August 24, 2001, to evaluate workforce recruitment and retention issues related to long-term care.

The HPC conducts analysis and evaluation on the data to identify workforce shortage and underserved areas of the state through the Geographic Access Data System (GADS), in compliance with the Health Policy Commission statutory mandate.

A study funded by the New Mexico Nursing Board indicates the following:

- ◆ FTE vacancies for RNs exceed the number of new graduates annually.
- ◆ There are on average 1200-1400 vacant nursing positions statewide.
- ◆ Original predictions were that changes in the health care delivery system would reduce the demand for nurses. This does not appear to be the case in New Mexico: 60% of acute care

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administrators and 54% of home health administrators surveyed indicated that they intend to hire more nurses in 2001 than they did in 2000.

- ◆ Most nursing specialties are in short supply in New Mexico.
- ◆ Bachelors-level Nursing School faculty is in shorter supply than practical nursing supply.
- ◆ The nursing workforce appears to be aging, with the average age of working nurses being 42-46. Nationally, one third of the nursing workforce is over 50.

Any studies that might identify new solutions to New Mexico's nurse staffing shortage would be of benefit to nursing home residents and all New Mexicans.

BD/njw.prr